

## Effect of Entrepreneurial Skills on the Performance of Small and Medium Enterprises in Enugu Metropolis

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### **Abstract**

*The study evaluated the effect of entrepreneurial skills on the performance of small and medium enterprises in Enugu state. The specific objective was to: examine the effect of leadership skills on the output of SMEs and evaluate the effect of networking skills on the profits making of SMEs in Enugu metropolis. The area of the study was Enugu Metropolis. Two hundred and seventy three (273) business owners and employees were selected for the study. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. Two hundred and fifty three (253) respondents returned their questionnaire and accurately filled. Data was presented and analyzed by mean score and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Z - test statistic tool. The findings indicated that Leadership skills had significant positive effect on the output of SMEs in Enugu metropolis,  $Z(95, n = 272), 7.034 < 9.944, P. < .05$  and Networking skills had significant positive effect on the profits making of SMEs in Enugu metropolis,  $Z(95, n = 272), 7.034 < 9.944, P. < .05$ . The study concluded that Leadership skills and Networking skills had significant positive effect on the output and profits making of SMEs in Enugu metropolis. The study recommended among others that the owners or management of the small and medium enterprises should provide direction and vision, motivate and inspire others, and help create an environment conducive to success by promoting communication and collaboration among team members.*

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### **INTRODUCTION**

#### **1.1 Background of the study**

Entrepreneurial skills encompass several key areas including leadership, direction, coordinating, oversight, planning and organization. Within these key areas, Entrepreneurial skills combine hard and soft skills that professionals in management roles must have to succeed in their careers. Essentially, effective managerial skills comprise traits that supervisors and leaders apply to motivate and direct staff, manage production and financial processes and schedule and organize workflow. Also, many managers and leaders take part in continuous professional development to perform their jobs successfully (Indeed Editorial Team, 2022). The role of managerial skill in the survival of organization cannot be overemphasized, because equipment and money on their own cannot reproduce themselves or make profit without human efforts (Orji, Akhimien & Egwuatu, 2023). Managerial skills can be defined as certain attributes or abilities that an executive should

possess to fulfil specific tasks in an organization. They include the capacity to perform executive duties while avoiding crisis situations and promptly solving problems when they occur. Management skills can be developed through learning and practical experience as a manager. These help the manager to relate with their fellow managers and know how to deal well with their subordinates, allows for the easy flow of activities. Managers must be accountable for every decision they make and also be willing to take responsibility for the results of their decisions these skills are vital for any organization to succeed. Management and leadership skills are often used interchangeably as they both involve planning, decision-making, problem-solving, communication, delegation, and time management. Good managers are almost always good leaders as well. In addition to leading, a critical role of a manager is to also ensure that all parts of the organization are functioning cohesively. Without such integration, challenges can arise and failure is bound to happen. Management skills are crucial for various positions and at different levels of a company, from top leadership to intermediate supervisors to first (Balogun, 2023). Managerial ability affects knowledge acquisition and innovation, leading to improved firm performance and productivity (Kasongo, Sithole & Buchana, 2023). The underlying objective of every business is to improve the effectiveness and outcomes of the organization; however, prior literature signifies the role of competent leadership, effective management, and productive staff (Murphy, 2020).

Performance refers to carrying out an activity, task, or function. Performance, on the other hand, refers to a company's ability to achieve goals such as high profit, quality product, large market share, good financial outcomes, and survival over a certain period of time by implementing an appropriate action strategy. Small and medium-sized enterprises (SMEs) are defined as human activities that involve the production and distribution of goods and services (Kowo & Sabitu, 2018). It is a social tool that helps societies organize economic activities. This requires open communication in order to be realised or accomplished. Specifically, business is the sum of the organised efforts by which persons working in commerce and industry provide the goods and services required to sustain or raise the standard of living and quality of life to which an individual aspires.

Performance represents the skill exhibited by individuals in fulfilling tasks according to established standards, addressing both qualitative and quantitative aspects inherent in their assigned duties. Moreover, performance signifies the degree of task completion or accomplishment (Ugwu, Umar, & Mbah, 2021). Additionally, it encompasses metrics measuring the efficiency of handling specific requests or the execution of tasks effectively, leveraging information rather than merely possessing it. Ultimately, performance reflects the outcomes stemming from the strategies and operations of any organization (Eze, Edeoga, & Mbah, 2022).

## **1.2 Statement of the problem**

Entrepreneurial skills encompass a broad range of various skill sets like technical skills, leadership and business management skills and creative thinking. Because entrepreneurial skills can be applied to many different job roles and industries, developing your entrepreneurial skills can mean developing several types of skill sets. Successful entrepreneurs will mainly rely on their business skills to manage and run a business or brand. Developing the business management skills mean

building up the ability to multitask, delegate responsibilities to subordinates and making decisions regarding the health and profitability of the business.

But as result of lack of leadership and networking skills that give rise to poor relationship building and decision making and lack of communication flow affected the small and medium enterprises. This has led to discontinuity and eventual close down of the business. The fall of these businesses are highly caused by lack of training and management support.

The issues of the above if not looked into, will lead to poor output, low profit, ineffectiveness and efficiency. Skill is a term that encompasses the knowledge, competencies and abilities to perform operational tasks. Skills are developed through life and work experiences and they can also be learned through study. Based on this, the study aimed at evaluating the effect of entrepreneurial skills on the performance of small and medium enterprises in Enugu state.

### **1.3 Objective of the study**

The objective of the study was to evaluate the effect of entrepreneurial skills on the performance of small and medium enterprises in Enugu state. The specific objective were to:

- i. examine the effect of leadership skills on the output of SMEs in Enugu metropolis.
- ii. evaluate the effect of networking skills on the profits making of SMEs in Enugu metropolis.

### **1.4 Research Question**

The following research questions guided the study

- i. What is the effect of leadership skills on the output of SMEs in Enugu metropolis
- ii. What is the effect of networking skills on the profits making of SMEs in Enugu metropolis

### **1.5 Statement of Hypothesis**

The following hypothesis guided the study

- i. Leadership skills have effect on the output of SMEs in Enugu metropolis
- ii. Networking skills have effect on the profits making of SMEs in Enugu metropolis

## **REVIEW OF RELATED LITERATURE**

### **2.1 Conceptual review**

#### **2.1.1 Entrepreneurial**

Entrepreneurial inclination is defined as a company's willingness to adopt entrepreneurial methods, practices, and decision-making, as evidenced by a predilection for creativity, risk-taking, and proactiveness. Entrepreneurial businesses are forward-thinking, risk-taking, and proactive (Chi-Hsing and Hsin-Yu, 2017). Entrepreneurship is widely viewed as a crucial vehicle for job creation (Folster, 2000), as well as an important way of boosting the innovation dynamic in local, regional, and national economies. As a result, entrepreneurial activities contribute to the adaptive remodeling and restructuring of today's corporate environment, offering a continual stream of learning opportunities and, as a result, enabling more sustainable development. While entrepreneurship is viewed as a macro-level driver of job creation, innovation, and wealth creation,

on a more personal level, the development of enterprising behavior has been identified as one of the major stimulants to the expansion of career possibilities, particularly among first-time workers (Gerry, Marques & Fernanda, 2018).

### **2.1.2 Skills**

Skills are abilities that are developed through life and work experiences. A skill is the ability to do something. We develop skills through experiences in life and work. Skills can be simple, such as making a bed, or more complex such as playing a musical instrument. In the workplace you'll use a combination of technical and personal skills, (Careers, 2022). A skill is the learned ability to act with determined results with good execution often within a given amount of time, energy, or both. Skill usually requires certain environmental stimuli and situations to assess the level of skill being shown and used, (Wikipedia, 2023).

### **2.1.3 Entrepreneurial skills**

Entrepreneurial skills are the skills that were previously called skills for life. They are the skills we all need in our lives. Functional Skills assess the fundamental skills of English and Mathematics and help to prepare people with the skills that they may need in their working and professional lives. In order to endure business effectiveness in organizations, the functional skills become an asset and instrument used to grow productivity. This implies that functional skills development could lead to better employee's productivity and ultimately improve organization productivity, (Eze, Mbah & Oboko, 2022; Edeh, Nnamani & Mbah, 2023).

## **2.1.4 Components of Entrepreneurial Skills**

### **2.1.4.1 Leadership skills**

Leadership skills are the strengths and abilities individuals demonstrate that help to oversee processes, guide initiatives and steer their employees toward the achievement of goals. Leadership skills are an essential component in positioning executives to make thoughtful decisions about their organization's mission and goals, and properly allocate resources to achieve those directives. Valuable leadership skills include the ability to delegate, inspire and communicate effectively. Other leadership traits include honesty, confidence, commitment and creativity, (Yasar, 2023). Leadership skills are the qualities individuals in influential roles possess to direct and complete tasks, support initiatives, create a sense of unity within a team, and empower others.

### **2.1.4.2 Networking skills**

Networking skills are competencies that help you in building personal and professional social contacts. It is an essential skill for many industries, including sales, business development, retail, banking and others. Networking allows you to meet new people, exchange ideas and find new job opportunities. You build strong connections with your colleagues, friends, family members, clients, customers, professors or personal acquaintances when your network. Connecting with such people can prove beneficial for your career (Indeed, 2023).

### **2.1.5 Performance**

Performance is seen as the vital result anticipated in all business activity (Muhammad et al., 2019) (Ahmed, Shah, Qureshi, Shah & Khuwaja, 2018), (Galdeano, Ahmed, Fati, Rehan & Ahmed,

2019), performance refers to a company's overall performance as measured by the sum of its financial, marketing, and human resource operations over a period of time. Firms set goals and objectives that must be met within a certain time limit. The efficacy of an organization is measured by how well it achieves its goals. Thus, organizational performance refers to an organization's capacity to meet its objectives, such as a high profit margin, high product quality, a higher market share, and improved financial outcomes, within a given time frame and by implementing the appropriate strategy (Olusegun, Olympus & Olakunle, 2020).

## **2.1.6 Component of Performance**

### **2.1.6.1 Output**

Output is a quantity of goods or services produced in a specific time period (for instance, a year). It is a measure of all the goods and services produced in a given time period by businesses in that industry and sold either to consumers or to businesses outside that industry (Kenton and Robert, 2021). Output can be consumed directly or sold to other businesses for use in producing other output. For example, sugar can be consumed or can be used for further production in making cookies. Output is the efficiency of production of goods or services expressed by some measure. Measurements of productivity are often expressed as a ratio of an aggregate output to a single input or an aggregate input used in a production process, i.e. output per unit of input, typically over a specific period of time. It is a crucial factor in the production performance of firms and nations. Increasing national productivity can raise living standards because more real income improves people's ability to purchase goods and services, enjoy leisure, improve housing and education and contribute to social and environmental programs. Productivity growth can also help businesses to be more profitable (Kenton & Robert, 2021).

### **2.1.6.2 Profit Making**

Profit is the money a business pulls in after accounting for all expenses. Whether it's a lemonade stand or a publicly-traded multinational company, the primary goal of any business is to earn money; therefore a business performance is based on profitability, in its various forms. Any profits earned funnel back to business owners, who choose to pocket the cash, distribute it to shareholders as dividends, or reinvest it back into the business, (Kenton, 2023). Profit is the remaining revenue, also known as income, left after a company has accounted for all expenses. In small businesses, the profit usually goes directly to the company's owner or owners. Publicly owned and traded corporations pay out a certain amount of profit to stockholders in dividends. A business owner can keep the money or reinvest it into the company to encourage growth and more profit, (Indeed, 2023).

## **2.2 Theoretical Framework**

The study was anchored on McClelland's Theory of Human Motivation (1967).

McClelland's theory of needs is one such theory that explains this process of motivation by breaking down what and how needs are and how they have to be approached. McClelland argued that the need for achievement is partially culturally determined with some societies producing fewer individuals with achievement orientations. Societies lacking in achievement-oriented individuals are expected to have lower average incomes. A controversial implication of the theory

is that lower-performing economies can be boosted by adopting social policies that alter socialization processes in ways that encourage the development of more individuals with achievement motivations. This can be criticized as being a kind of social engineering though, because some cultures may have different value structures. For instance, well-being, simplicity, and tradition may be more valued in some cultures than innovations leading to more desire for achievement.

Therefore, to apply the McClelland's Theory to the study, entrepreneurs do things in a new and better way and make decisions under uncertainty. Entrepreneurs are characterized by a need for achievement or an achievement orientation, which is a drive to excel, advance, and grow. The need for achievement contrasts with the need for power that is, a drive to dominate others in all situations, and with the need for affiliation that is, a drive for close personal relationships. However, power and affiliate legitimacy may help with achievement and can thus be considered valuable means or resources that can help to satisfy the need for achievement. McClelland believed that an achievement orientation develops during middle childhood through family socialization emphasizing high standards, self-reliance, and less dominant fathers. It manifests in behaviors such problem-solving, feedback seeking, goals attainment, and risk-taking.

## **2.3 Empirical Review**

### **2.3.1 Leadership Skills on the Output of SMEs**

Ibeme (2020) conducted a study on the effect of leadership styles on human capacity building for sustainable management of SMEs in Enugu, South-east Nigeria. The methodology adopted by this study was survey research that used validated questionnaire to collect data from five sample units: SMEDAN, Enugu Zonal Office, Bank of Agriculture (BOA), Enugu, SME Centre, Enugu, SME Cluster, New Haven Enugu, and Emene Industrial Layout SME Cluster, Enugu. The population for the study was 4,252, out of which a sample of 353 was drawn using Cochran's finite population correction factor (fpcf) technique. In the said survey, the structured questionnaire that consisted of 21 close-ended research items set on the 5-point Likert-type scale was used to collect data from the study's respondents. Results of the reliability test carried out on the said questionnaire showed a Cronbach's Alpha index (CAI) of 0.82, which was considered high enough and good for the study. The respondents for the study were selected using purposive sampling technique which allowed only the senior staff of the agencies with good knowledge of leadership, human capacity building, entrepreneurship and sustainable development. Descriptive statistics comprising frequency units, tables and percentages was used in analyzing the data, while the three hypotheses of the study were tested using Multiple Regression Analysis, all with the aid of SPSS software. Descriptive statistics comprising frequency counts, tables and percentages was used in analyzing the data. The three hypotheses put forward by the study were tested by use of One-Way Analysis of Variance (ANOVA) and Student t-test. It was the finding of the study that autocratic leadership style had no significant positive effect on the stock of technical skills, knowledge and competencies possessed by employees of SMEs; that laissez-faire leadership style had no significant positive effect on the stock of entrepreneurship managerial skill possessed by employees of SMEs; and that transformational leadership style had no significant positive effect on the efficiency or output levels of employees of SMEs in Enugu, South-east Nigeria.

Ekwochi, Orga and Ibeme (2020) conducted a study on the influence of public relations strategies on growth of Micro and Small Businesses in Enugu Metropolis. The population of the study was 812 made up of owners of registered micro and small businesses in Enugu Metropolis. A sample size of 261 respondents made up of owners of MSBs in Enugu Metropolis was determined using Stat Trek's sampling size formula. The data collected was by questionnaire. Data were analyzed using Regression analysis and Pearson Moment Correlation at 0.05 level of significance. Findings from the study show that: There is a significant positive relationship between mass media usage and growth of Micro and Small Businesses in Enugu Metropolis ( $r = 0.66$  at  $p < 0.05$ ). Event sponsorship positively influences growth of Micro and Small Businesses in Enugu Metropolis ( $R^{**} \text{ calc} = .0939 > \text{at } p < 0.05$ ). Social media has a significant positive effect on growth of Micro and Small Businesses in Enugu Metropolis ( $R^2 \text{ calc} = .516, F = 6.103 > \text{at } p < 0.05$ ).

Anoke, Onu and Agagbo (2022) conducted a study on the effect of managerial competencies on the growth of SMEs in Abuja Metropolis, Nigeria. The study adopted Raosoft to determine a sample size of 395. A structured questionnaire was used for data collection, while regression was used for data analysis. It was found that both technical and personal competencies have a positive and strong effect on the growth of SMEs, while conceptual skills recorded a negative and insignificant effect on the growth of SMEs in the Abuja Metropolis. This study is limited to SMEs operators in Abuja Metropolis (the political capital of Nigeria), Leaving Lagos (the economic capital of Nigeria untouched). It is only when Lagos is covered that one can give a clear direction if Nigerian SMEs operators are changing with the changing business world.

Onyema, Orga and Egbo (2023) conducted a study on the Effect of Authority Dimension on Leadership performance of SMEs in Enugu state. The specific objectives were to: examine the effect of Founder authority on the development of SMES in Enugu State and evaluate the effect of Relational authority on the accomplishment of tasks of SMEs in Enugu State. The population of the study was five (5) selected small and Median Enterprises (SMEs) with three hundred and twenty-two (322) staff in Enugu State. The whole population was used due to small number. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. 294 staff returned the questionnaire and accurately filled. Data from the questionnaire was administered and analyzed using simple percentages, mean and standard deviation, and the research hypotheses were tested using Z – test. The findings indicated that Founder authority had significance positive effect on the development of SMEs in Enugu State,  $Z(95, n= 294) = 5.861 < 8.369, P < 0.05$ . Relational authority had significant positive effect on the accomplishment of tasks of SMEs in Enugu state,  $Z(95, n= 294) = 5.230 < 11.664, P < 0.05$ . The study concluded that Founder authority and Relational authority had significant positive effect on development and accomplishment of tasks of SMEs in Enugu state.

Ede, Okolie and Igwe (2023) conducted a study on the organizational structure and performance of small and Medium Enterprises (SMEs) in Enugu state. The specific objectives were to; examine the relationship between skill variety and reduced expenses and evaluate the relationship between delegation and units of output produced by SMEs in Enugu state. The total population for the study was three thousand, one hundred and ninety-four (3194). The sample size of three hundred and

forty-two (342) was drawn using Freund and William's formula at 5 percent error margin. A survey design was adopted for the study. Instrument used for data collection was the questionnaire and interviews. A total of three hundred and forty-two (342) copies of questionnaire were distributed while two hundred and seventy-eight (278) copies of questionnaire were returned. Pearson correlation coefficient( $r$ ), was used to test the hypotheses, the findings include that there was positive significant relationship between skill variety and reduced expenses of SMEs in Enugu state,  $r(95, n=278) = .519 < .790, p < .05$ . There was positive significant relationship between delegation and units of output produced by SMEs in Enugu state,  $r(95, n=278) = .494 < .760, p < .05$ . The study concluded that skill variety and delegation had positive significant relationship with reduced expenses and units of output produced by SMEs in Enugu state.

Egwu, Ugwu and Okechukwu (2024) conducted a study on the effect of entrepreneurship on the growth of small and medium scale enterprises in Enugu metropolis. The objectives of the study are to assess the effect of planning on the output of SMEs and to evaluate the effect of growth on the empowerment of SMEs in Enugu State. The study employed descriptive survey design. The population of the study consists of the owners and senior staff of the selected SMEs in Enugu metropolis with the total population of three hundred and sixtyfour (364). The study made use of the whole population as its sample size due to small number. Data from the questionnaire were administered and analyzed using simple percentages, mean and standard deviation, and the research hypotheses were tested using Z – test. The findings of the study revealed that planning had significant positive effect on the output of SMEs in Enugu state,  $Z(95, n = 319), 7.517 < 8.636, P. < .05$ . And that growth had significant positive effect on the empowerment of SMEs in Enugu State,  $Z(95, n = 319), 6.565 < 7.559, P. < .05$ . The study concludes that the observation and utilization of novel opportunities in the business domain are the fundamental components of entrepreneurship. It always involves diverting national resources from their customary usage and putting them in novel combinations, resulting in an alternative method of using them.

Ogbu and Ugwu (2023) conducted a study on Micro, Small, and Medium Enterprises contribute 48% of Nigeria's GDP and account for 96% of businesses and 84% of employment. Despite their significant economic impact, MSMEs face challenges that make growing and scaling their businesses difficult. These challenges include limited access to finance, poor digital skills, inadequate record-keeping, over-reliance on cash, and difficulty attracting skilled workers. The naira redesign, cashless policy, and the resultant cash crunch have exacerbated these problems, making it harder for MSMEs to survive. The reduced cash withdrawal limits, particularly, have hit small businesses hard, resulting in decreased sales volumes and economic slow-down. As a result, the policy has hurt MSMEs without access to digital payment platforms. This paper focuses on reviewing the naira redesign and its effect on MSMEs. As a recommendation, the government and the Central Bank of Nigeria (CBN) should invest in infrastructure development, digital skills training, and creating an enabling regulatory environment for fintech solutions aimed at MSMEs.



### 2.3.2 Networking skills on the profits making of SMEs

Nwosu, Madu, Ogbu and Ali (2019) conducted a study on the linkages of SMEs in Enugu state Nigeria and its role in economic diversification. Economic diversification is significant in Nigeria because of the need to overcome the problem of over dependence on oil revenue. To achieve the aim of this study, data were collected from documentary materials, questionnaire, in-depth interview and field observation. Data were collected on forms of industrial linkages, sector variation in forms of linkages and volume of spatial linkages and data collected were analyzed using mean and multiple regressions. Result show that sachet water industries with weighted mean of 2.8 ranked first in the sector of firms that engaged in upstream and vertical linkages with other firms while furniture came last in the practice of vertical linkages with a weighted mean of 1.0. Furthermore, analysis of weighted mean of the rating of horizontal linkages among SMIs in the study area revealed that firms within the furniture industries highly practice horizontal linkages with weighted mean of 2.7 while the least mean is found in sachet water and bakery industries respectively.

Orga (2021) conducted a study on innovation and sustainability of SMEs in Enugu metropolis. Small and Medium Enterprises are the driving force of industrial development globally, especially in developing economies due to their numerous contributions in terms of employment generation, export promotion and use of local raw material among others. Innovation has greatly contributed to sustainability of the SMEs. The major objective of the study was to examine innovation and sustainability of SMEs, while the following specific objectives formulated were to: identify product innovation on the circular economy of small and medium enterprises in Enugu metropolis, ascertain technological innovation on management behavior on small and medium enterprises in Enugu metropolis. Methodology research design was used and population of the study was 300 made up of owners and workers and 35 SMEs. The entire population was used, so determination of sample size not necessary. The researcher found out that product innovation had significant positive effect on the circular economy of small and medium enterprises in Enugu metropolis, with the statistical evidence ( $t_{cal}$  Value 382.31 > tab. value 9.49).

Obiekwe and Alozie (2022) conducted a study on Majority of SMEs in Enugu State, Nigeria, are wary of adopting an e-marketing system because they believe it would be expensive to construct, fraudulent, and put them at risk online. In this study, we focus on the financial performance of SMEs in the food/accommodation, manufacturing, retail/wholesale, and transportation service sectors in Enugu State, Nigeria, and analyze the effect of e-marketing on it. The study's specific objectives were to investigate the effects of email marketing, electronic advertising, and electronic payment marketing on the financial performance of SMEs. In order to create a sample that accurately reflected the whole population, the study used a survey research approach to gather data from respondents. 50 SMEs were the target group in Enugu State. Results showed that electronic advertising, email marketing, and electronic payment marketing all significantly impacted firm performance. The survey found that Enugu State SMEs engaged in e-marketing had seen above-average business performance

Iyke-Ofoedu, Onodugo and Umeh (2022) conducted a study on the effect of internet banking on small and medium enterprises performance in Enugu Metropolis. Specifically this study aims to determine the (i) the effect of internet effectiveness on small and medium enterprises business expansion in Enugu Metropolis, and (ii) the effect of internet convenience on small and medium enterprise quality of job delivery in Enugu Metropolis. The study made use of descriptive survey design. The study used structured questionnaire to obtain data. The population of the study is 650 with sample size of 264. Summary of the study includes: the findings of the study revealed that internet effectiveness has significant effect on small and medium enterprises business expansion in Enugu metropolis ( $t$  – statistics (38.887) >  $P$  – value (0.000), the findings of the study also revealed that internet convenience has significant effect on small and medium enterprise quality of job delivery in Enugu metropolis ( $t$  – statistics (33.446) >  $P$  – value (0.000), and the findings of the study revealed that internet accessibility has significant effect on small and medium enterprise expansion of income base in Enugu metropolis, because internet accessibility enables to conduct banking business over the internet where costs are minimal, since ( $t$  –statistics (51.826) >  $P$  – value (0.000).

Wabara, Udu, Nwekpa, Arisi-Nwugbala, Ezeanokwasa, Mamah and Chijindu (2023) conducted a study on the growth of small and medium enterprises across the world. Owners of small businesses are utilizing social media platforms such as Facebook, WhatsApp and Instagram for the operation and growth of their businesses. It is against this premise that this study investigated the effect of social media usage on the growth of small and medium enterprises in South East Nigeria. The study employed cross-sectional survey. Population of two hundred and twenty small and medium enterprises operating within South-Eastern part of Nigeria was surveyed. Sample size of one hundred and forty (140) was determined using Krejcie & Morgan formulae (1970). One hundred and forty (140) questionnaires were administered to owners of small and medium enterprises and one hundred and thirty two (132) copies were retrieved and found useful for analysis. Multiple linear regressions were used to analyze the hypotheses. The study found that social media usage has significant positive effect on the growth of small and medium enterprises in South East Nigeria. The study concludes that social media usage measured by Facebook, Instagram, and WhatsApp applications promote the growth of small and medium enterprises in Nigeria.

#### **2.4 Gap in Empirical Review**

The studies done were carried outside effect of entrepreneurial skills on the performance of small and medium enterprises in Enugu state and did not focus to best of my knowledge on the leadership skills on the output; and networking skills on the profits making of SMEs in enugu metropolis, Enugu state, Nigeria. Most of the studies reviewed analysed their data through A purposeful sampling technique, Descriptive statistics and appropriate inferential statistics, Purposive Sampling technique, Pearson Moment Correlation Coefficient, Multiple sampling technique, Partial Least Square Structural Equation Modeling (PLS-SEM), Multiple Regression Analysis (MRA) method, Simple linear regression and Pearson correlation coefficient ( $r$ ) while the present study made use of Z test to test the hypotheses. Therefore, the study aimed at filling this research gap by evaluating the effect of entrepreneurial skills on the performance of small and medium enterprises in Enugu state, Nigeria.

### 3.0 METHODOLOGY

The area of the study was Enugu Metropolis. Two hundred and seventy three (273) business owners and employees were selected for the study. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. Two hundred and fifty three (253) respondents returned their questionnaire and accurately filled. That gave 93 percent response rate. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.81 which was also good. Data was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Z - test statistic tool.

### 4.0 DATA PRESENTATION AND ANALYSIS

#### 4.1 The effect of leadership skills on the output of SMEs in Enugu metropolis.

**Table 4.1.1: Responses on the effect of leadership skills on the output of SMEs in Enugu metropolis.**

		5	4	3	2	1	ΣFX	-	SD	Decision
		SA	A	N	DA	SD		X		
1	Effective leaders display empathy which promotes effectiveness	575 115 60.1	236 59 23.3	54 18 7.1	12 6 2.4	18 18 7.1	895 253 100.0	3.53	1.158	Agree
2	Emotional intelligence are offered with quality leader along with integrity to stand what is right.	650 130 51.4	316 79 31.2	39 13 5.1	38 19 7.5	12 12 4.7	1055 253 100.0	4.17	1.126	Agree
3	Skilled leaders balance those traits with confidence which enhances productivity.	360 72 28.5	456 114 45.1	39 13 5.1	68 34 13.4	20 20 7.9	943 253 100.0	3.72	1.232	Agree
4	Strong leaders with self- awareness which helps them stay focused.	425 85 33.6	64 16 6.3	261 87 34.4	80 40 15.8	25 25 9.9	855 253 100.0	3.38	1.350	Agree
5	Egos are prevented from getting in the way by skilled leaders and this help provide direction.	735 147 58.1	64 16 6.3	105 35 13.8	58 29 11.5	26 26 10.3	988 253 100.0	3.90	1.450	Agree
<b>Total Grand mean and standard deviation</b>								<b>4.114</b>	<b>1.085</b>	

*Source: Field Survey, 2024*

Table 4.1.1, 174 respondents out of 253 representing 83.4 percent agreed that Keeping digital records of stock reduces expenses with the mean score of 3.53 and standard deviation of 1.158. 209 respondents representing 82.6 percent agreed that The ability to use and maintain technology

and software reduces operating costs with mean score of 4.17 and standard deviation of 1.126. 186 respondents representing 73.6 percent agreed that Proficiency in programming reduces paper costs with mean score of 3.72 and standard deviation of 1.232. 101 respondents representing 39.9 percent agreed that Operating and manipulating technology helps to communicate and work at lesser stress with mean score of 3.38 and standard deviation of 1.350. 163 respondents representing 64.4 percent agreed that The ability to use social media promotes the products at lesser costs with a mean score of 3.90 and standard deviation 1.450.

#### 4.2. The effect of networking skills on the profits making of SMEs in Enugu metropolis.

**Table 4.2.1: Responses on the effect of networking skills on the profits making of SMEs in Enugu metropolis.**

		5	4	3	2	1	∑FX	-	SD	Decision
		SA	A	N	DA	SD		X		
1	A high-quality business network provide recruitment leads.	575 115 60.1	236 59 23.3	54 18 7.1	12 6 2.4	18 18 7.1	895 253 100.0	3.53	1.158	Agree
2	The opportunities for increased profits are enhanced by networking skills.	650 130 51.4	316 79 31.2	39 13 5.1	38 19 7.5	12 12 4.7	1055 253 100.0	4.17	1.126	Agree
3	Networking skills grows the SMES personal brand.	360 72 28.5	456 114 45.1	39 13 5.1	68 34 13.4	20 20 7.9	943 253 100.0	3.72	1.232	Agree
4	Networking establishes long-term relations with people from different places.	425 85 33.6	64 16 6.3	261 87 34.4	80 40 15.8	25 25 9.9	855 253 100.0	3.38	1.350	Agree
5	Diversity of thought and access to new information are enhanced through networking.	735 147 58.1	64 16 6.3	105 35 13.8	58 29 11.5	26 26 10.3	988 253 100.0	3.90	1.450	Agree
<b>Total Grand mean and standard deviation</b>								<b>4.114</b>	<b>1.085</b>	

Source: Field Survey, 2024

Table 4.2.1, 174 respondents out of 253 representing 83.4 percent agreed that Keeping digital records of stock reduces expenses with the mean score of 3.53 and standard deviation of 1.158. 209 respondents representing 82.6 percent agreed that The ability to use and maintain technology and software reduces operating costs with mean score of 4.17 and standard deviation of 1.126. 186 respondents representing 73.6 percent agreed that Proficiency in programming reduces paper costs

with mean score of 3.72 and standard deviation of 1.232. 101 respondents representing 39.9 percent agreed that Operating and manipulating technology helps to communicate and work at lesser stress with mean score of 3.38 and standard deviation of 1.350. 163 respondents representing 64.4 percent agreed that The ability to use social media promotes the products at lesser costs with a mean score of 3.90 and standard deviation 1.450.

### 4.3 Test of Hypotheses

#### 4.3.1 Hypothesis One: Leadership skills have effect on the output of SMEs in Enugu metropolis

One-Sample Kolmogorov-Smirnov Test

	Effective leaders display empathy which promotes effectiveness	Emotional intelligence are offered with quality leader along with integrity to stand what is right.	Skilled leaders balance those traits with confidence which enhances productivity.	Strong leaders with self-awareness which helps them stay focused.	Egos are prevented from getting in the way by skilled leaders and this help provide direction.
N	272	272	272	272	272
Uniform Parameters <sup>a,b</sup>	Minimum 1	1	1	1	1
	Maximum 5	5	5	5	5
Most Extreme Differences	Absolute .482	.559	.426	.489	.603
	Positive .125	.140	.165	.140	.121
	Negative -.482	-.559	-.426	-.489	-.603
Kolmogorov-Smirnov Z	7.943	9.216	7.034	8.064	9.944
Asymp. Sig. (2-tailed)	.000	.000	.000	.000	.000

a. Test distribution is Uniform.

b. Calculated from data.

#### Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e  $Z_{cal} > Z_{critical}$ ), reject the null hypothesis and accept the alternative hypothesis accordingly.

#### Result

With Kolmogorov-Smirnon Z – value ranges from  $7.034 < 9.944$  and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of the most of the respondents that Leadership skills had significant positive effect on the output of SMEs in Enugu metropolis.

#### Decision

Furthermore, comparing the calculated Z- value ranges from  $7.034 < 9.944$  against the critical Z-value of 0.000 (2-tailed test at 95 percent level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that **Leadership skills had significant positive effect on the output of SMEs in Enugu metropolis.**

### 4.3.1 Hypothesis Two: Networking skills have effect on the profits making of SMEs in Enugu metropolis

One-Sample Kolmogorov-Smirnov Test

		A high-quality business network provide recruitment leads.	The opportunities for increased profits are enhanced by networking skills.	Networking skills grows the SMES personal brand.	Networking establishes long-term relations with people from different places.	Diversity of thought and access to new information are enhanced through networking.
N		272	272	272	272	272
Uniform Parameters <sup>ab</sup>	Minimum	1	1	1	1	1
	Maximum	5	5	5	5	5
Most Extreme Differences	Absolute	.445	.515	.658	.599	.456
	Positive	.132	.162	.033	.081	.110
	Negative	-.445	-.515	-.658	-.599	-.456
Kolmogorov-Smirnov Z		7.337	8.489	10.853	9.883	7.519
Asymp. Sig. (2-tailed)		.000	.000	.000	.000	.000

a. Test distribution is Uniform.

b. Calculated from data.

#### Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e  $Z_{cal} > Z_{critical}$ ), reject the null hypothesis and accept the alternative hypothesis accordingly.

#### Result

With Kolmogorov-Smirnon Z – value ranges from  $7.337 < 10.853$  and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of the most of the respondents that **networking skills had significant positive effect on the profits making of SMEs in Enugu metropolis.**

#### Decision

Furthermore, comparing the calculated Z- value ranges from  $7.337 < 10.853$  against the critical Z-value of 0.000 (2-tailed test at 95 percent level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that **networking skills had significant positive effect on the profits making of SMEs in Enugu metropolis**

#### 4.4 Discussion of Findings

From the result of hypothesis one, the calculated Z- value ranges from  $7.034 < 9.944$  against the critical Z- value of 0.000 which implies that **Leadership skills had significant positive effect on the output of SMEs in Enugu metropolis. In the support of the result in the literature review,**

From the result of hypothesis two, the calculated Z- value ranges from  $7.337 < 10.853$  against the critical Z- value of 0.000 which implies that **networking skills had significant positive effect on the profits making of SMEs in Enugu metropolis. In the support of the result in the literature review,**

## **5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Summary of Findings**

i. Leadership skills had significant positive effect on the output of SMEs in Enugu metropolis,  $Z(95, n = 272), 7.034 < 9.944, P. <.05$

ii. Networking skills had significant positive effect on the profits making of SMEs in Enugu metropolis,  $Z(95, n = 272), 7.034 < 9.944, P. <.05$

### **5.2 Conclusion**

The study concluded that Leadership skills and Networking skills had significant positive effect on the output and profits making of SMEs in Enugu metropolis. These entrepreneur skills are vital for promoting innovation, business growth and competitiveness. Developing these skills means developing many skills together. To be a successful entrepreneur, you may need to develop the risk-taking skills and sharpen your business management skills. Business management skills are traits an entrepreneur must have to run a business and ensure all business goals are met. Entrepreneurs with this skill set can oversee and manage operations of different departments because they possess a good understanding of each function. Business management skills include multitasking, delegating responsibilities and making critical business decisions. Every entrepreneur must be able to communicate effectively with clients, team members and all other stakeholders.

### **5.3 Recommendations**

- i. The owners or management of the small and medium enterprises should provide direction and vision, motivate and inspire others, and help create an environment conducive to success by promoting communication and collaboration among team members. In short, leadership and strong management are essential for any organization that wants to achieve its objectives.
- ii. The use of Networking should be encouraged to help build professional relationships, opens doors to new opportunities, and facilitates the exchange of ideas and best practices. It also aids in career development, personal growth, and business success.

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